

**Report of the  
Defense Fund Oversight Committee  
to the 77<sup>th</sup> Convention**



**Communications Workers of America  
Las Vegas, NV  
July 29 – 31, 2019**

**Report of the  
Defense Fund Oversight Committee  
July 2019**

Through resolutions and rules adopted by various CWA conventions, the Defense Fund Oversight Committee (DFOC) is charged with the responsibility to review activities associated with the Robert Lilja Members' Relief Fund (RLMRF), the Strategic Industry Fund (SIF) and the Growth Fund (GF). The DFOC is authorized to examine receipts, disbursements, investments and the administrative policies associated with the funds. The DFOC may also, with a 2/3 vote, affirm CWA Executive Board actions that are consistent with the rules governing those funds. The DFOC is required to report its findings to each CWA Convention and make recommendations to the Convention where appropriate. The DFOC also issues a report at the Biennial Presidents' meeting.

The DFOC met on December 10-12, 2018 and April 29-May 1, 2019 in Washington, D.C. The committee reviewed activities associated with The Robert Lilja Members' Relief Fund (RLMRF), Strategic Industry Fund (SIF) and Growth Fund (GF). The DFOC regularly reviews new grant requests approved by the Executive Board during weekly conference calls and evaluates reallocations and grant extensions between our regular meetings.

**I. INVESTMENTS**

Prior to submitting this Biennial Report, the DFOC met with representatives of the Segal Marco Advisors to review investment performance for the Funds. SMCG was selected to serve as investment advisors and co-fiduciaries on these funds effective June 1, 2009, after a Request for Proposals was issued for these services in the spring of 2009 and were rehired in 2016 after a similar process. Segal Marco Advisors first presented an investment analysis to the DFOC at the CWA convention in June 2009 and has subsequently updated the DFOC on investment performance at meetings in Washington, D.C. Investment Performance Services (IPS) was selected as an independent monitor and is responsible for monitoring and verifying that fund investments are made in accordance with guidelines established by the President and Secretary-Treasurer, who are trustees of the Funds. IPS presented its review to the DFOC at the October 2016 and May 2017 meetings.

The opening balance of the RLMRF on January 1, 2018 was \$432,002,225. The balance of the MRF, as of December 31, 2018, was \$420,373,255. According to the rules, one-half of the earnings in the Member's Relief Fund are moved to the Growth Fund. Earnings on RLMRF investments from January 1, 2018 to December 31, 2018 were \$1,520,444 and therefore, \$760,222 was transferred into the Growth Fund in April of 2019.

According to RLMRF guidelines, when the Fund's assets fall below the floor of \$377,484,108, the quarter hour dues that would otherwise be sent to the SIF are retained by the RLMRF. Once the target floor balance is achieved, the quarter hour of dues is redirected to the SIF and the RLMRF's growth is fueled by investment returns and asset appreciation. The RLMRF did not fall below the floor during the period from June 1, 2018 to May 31, 2019. When the RLMRF reserves reach \$500,000,000, the floor will be raised to \$400,000,000.

**II. THE ROBERT LILJA MEMBERS' RELIEF FUND**

The balance of the RLMRF as of May 31, 2019 was \$442,880,415

**A. Expenditures – June 1, 2018 – May 31, 2019**

**1. Victims of Collective Bargaining**

There were two victims of collective bargaining in this period.

VICTIMS OF COLLECTIVE BARGAINING		
CANTV – LOCAL 54041		\$32,000.00
STEPHENS MEDIA GROUP – LOCAL 51024		\$29,600.00

**2. Mortgages**

The DFOC discussed the current mortgages to locals held by the fund. All mortgages are current. The fund is the first lien holder and loans may be up to 80% of current appraised value with a clear title. Mortgages as of May 31, 2019 are:

LOCAL	BALANCE @ 5/31/2019	LOAN AMOUNT
1038	\$180,695.03	\$212,000.00
1133	395,194.18	997,986.67
2009	78,315.19	80,000.00
2108	424,925.12	698,000.00
3112	20,349.75	25,000.00
3412	13,206.54	15,200.00
3704	71,754.60	80,000.00
4100	235,768.65	334,000.00
4340	656,588.88	722,578.39
4501	20,791.56	158,000.00
7704	46,891.01	64,902.09
7708	44,427.40	265,000.00
7803	84,532.38	185,129.92
9003	279,793.97	303,246.24
9415	77,841.81	100,000.00
9423	270,603.47	906,216.15
9509	562,812.58	850,000.00
9510	236,168.51	250,000.00
9586	598,363.97	600,000.00
9588	178,671.94	200,000.00
<b>Total</b>	<b>\$4,477,696.54</b>	<b>\$7,047,259.46</b>

### **III. STRATEGIC INDUSTRY FUND (SIF)**

The balance of the Strategic Industry Fund as of May 31, 2019 was \$82,148,316.

The Strategic Industry Fund campaigns approved by the Executive Board and the DFOC continue to increase our leverage at the bargaining table and further our major policy initiatives. Over the course of the years, we have experienced many successful projects and are gaining insights on how to best manage future projects.

The campaigns operate with specific budgets and clear measurable benchmarks with six-month evaluations. We currently have 106 active SIF campaigns.

At our April 2018 meeting at CWA headquarters the DFOC was informed of the following:

- In April 2018 CWA President Chris Shelton and Secretary Treasurer Sara Steffens, acting in their capacity as Trustees for all of CWA's funds, signed an MOU that allows the SIF to loan CWA up to \$35 million at 4% interest as an investment from the unallocated balance of the SIF. The loan would be drawn on as-needed over five-year period, then repaid fully over the following 15 years. Interest would be paid throughout the 20 year term on the total draw.
- The line of credit would be used solely to make federally mandated contributions to correct underfunding of the now-frozen CWA staff pension plan, also known as the "legacy plan."
- The unallocated SIF balance is currently \$49.7 million.
- The total SIF money invested by the Segal Marco Advisors, including both the unallocated balance and allocated but unspent dollars, is \$68 million.
- After conducting a financial analysis the Segal Marco Advisors group, acting as fiduciary of the Strategic Industry Fund, provided a report that the loan is an appropriate substitute for certain current SIF investments. Segal Marco Advisors has no concerns from a portfolio liquidity perspective.
- Based on the current market environment, Marco recommended the appropriate interest rate at 4%.
- The Segal Marco Advisors analysis shows that even in their most conservative scenarios, SIF investment returns are not negatively impacted, even at full draw-down. In the best case scenario, the loan will slightly improve SIF investment performance without increasing risk, by replacing fixed-income investments that currently earn lower rates of return.
- The unallocated SIF balance has remained stable for a number of years, as new SIF revenue slightly outpaces program spending.
- The Trustees are confident that the line-of-credit investment will not restrict spending on SIF programs.
- According to the Trustees, even if total SIF program expenditures were to increase by as much as 50% during the draw-down period, the SIF still would not deplete its entire unallocated balance. As with all existing investments, the line of credit will have no impact on totals available in any sector/industry "silo."
- To date, only \$100,000 of the line of credit has been used.

Given the DFOC's oversight function, we discussed this transaction with the trustees, who answered our questions, and are reporting this information to the membership.

## SIF Campaign List

Project Number	Project Name	Budgeted	Expenses	Balance
193	T&T Independent Telecom – Approved Oct 2014	730,230	460,912	269,318
T23	D9 Environmental Coalition and Movement Building – Approved 2/5/16	175,350	146,951	28,399
T31	Telecom Policy – Approved 4/8/16	1,038,100	546,425	491,675
T57	D6 Education of Leveraged Service Representative & Services - approved 12/23/16	154,842	785	154,057
T66	D9 2017 California Priorities - Approved 3/31/17	384,450	151,037	233,413
T69	D3 AT&T Mobility Mobilization and Bargaining - Approved 5/19/17	660,493	426,873	233,620
T73	D1 New Jersey Call Center phase - Approved 7/14/17	306,100	254,100	52,000
T76	Restoring a Voice in Working Families for District 4, Phase 2 - Approved 9/22/2017	1,155,955	497,826	658,129
T77	D7 Telecom Local Capacity Building - Approved 9/22/2017	588,848	158,644	430,204
T78	Union Approach to Heat Stress/Lead Hazardous Substances Occupational Safety & Health Training, Phase V - Approved 9/29/2017	368,188	161,586	206,602
T80	D6 Internal Organizing Local Member Development Program - Approved 10/13/17	640,708	638,197	2,511
T83	D9 CWA Strong - Approved 11/13/17	459,210	251,504	207,706
T85	D4 - AT&T Contract Mobilization - Approved 12/29/17	613,070	475,172	137,898
T86	T&T - AT&T Contract Mobilization - Approved 12/29/17	260,190	169,890	90,300
T88	D3 Education of Wire Technicians, Phase 2 - Approved 2/9/18	389,920	206,603	183,317
T89	D3 Internal Organizing, Phase 2 - Approved 2/16/18	520,025	358,854	161,171
T90	D6 DexYP Phase 2 - Approved 3/2/18	363,175	83,068	280,107
T91	D3 The Future of Training Survey and Training Pilot Program - approved 3/20/18	223,150	226,973	-3,823
T92	D2-13 Frontier WV-VA Strike - Approved 3/20/18	910,560	108,011	802,549
T93	Unity @ Mobility, Phase 4	1,614,626	1,020,831	593,795
T94	T-Mobile Phase III (prior phase 143, 162&194) - approved 4/30/18	299,853	272,960	26,893
T97	D3 LPAT - Approved 5/18/18	599,400	341,030	258,370
T98	D6 Missouri Right to Work, Phase 2 - Approved 5/25/18	764,221	568,573	195,648
01T	AT&T Midwest and Legacy T Bargaining - Public Campaign and Media Buy -D4 and T&T	951,505	295,680	655,825

<b>Project Number</b>	<b>Project Name</b>	<b>Budgeted</b>	<b>Expenses</b>	<b>Balance</b>
02T	D7 Unrepresented CenturyLink - Approved 8/3/18	558,042	83,982	474,060
03T	D3 2018-2019 AT&T Mobility Bargaining & Mobilization - Approved 8/17/18	413,708	303,205	110,503
04T	D3 AT&T Contract Negotiations and Mobilization 2018-2019 - Approved 8/17/18	1,658,817	578,934	1,079,883
05T	T-Mobile /Sprint Merger Campaign - Approved 8/24/18	1,074,300	647,439	426,861
06T	Building International Solidarity - Approved 9/14/18	306,835	210,688	96,147
07T	D7 Internal Organizing, Phase 3 - Approved 9/21/18	527,965	135,207	392,758
08T	PERIS, Phase 2 - Approved 9/28/18	2,063,246	407,220	1,656,026
09T	D1 Local 1298 Capacity Building & Fighting RTW in CT - Approved 9/28/18	111,360	62,707	48,653
10T	D6 Texas Political Fight, Phase 3 - Approved 9/28/18	1,081,720	690,136	391,584
11T	D1 Local Capacity Building, Phase 3 - Approved 10/12/18	575,951	384,889	191,062
12T	National Wireless Organizing, Phase 2 - Approved 10/26/18	2,876,653	725,001	2,151,652
13T	D6 Strategic bargaining at Dish - Approved 12/12/18	417,229		417,229
14T	D1 Frontier Communications Corporation Mobilization Plan - Approved Dec 21, 2018	258,845	9,077	249,768
15T	National Frontier Research & Strategy Development - Approved December 21, 2018	379,740	408	379,332
16T	Internal Organizing Database, Phase 2 - Approved 1/18/19	204,435	81,441	122,994
17T	D7 CenturyLink Contract Negotiation and Mobilization - Approved 2/8/19	950,350	11,813	938,537
18T	We The People - Putting Workers' Issues on the 2020 Agenda - split between Telecom, Pubic Healthcare, IUE, NRTS, AFA - Approved 2/22/19	230,050	107,188	122,862
19T	T&T Windstream Employment Security & Retirement Protection - Approved 3/8/19	327,164	12,894	314,270
20T	D1 Parking Production Assistants - Approved 4/5/19	82,975	1,216	81,759
21T	Saving Call Center Jobs from Offshoring, Phase 3	1,509,964	116,885	1,393,080
22T	D1 NYS 2019 Telecom Legislative Campaigns - Approved 4/12/19	558,366	28,815	529,551
23T	T&T Nokia - Formerly Alcatel Lucent - Retirement Security and Healthcare Protections, Phase 2 - Approved 5/10/19 - phase 1 #T15	285,434		285,434
24T	D1 Altice Campaign - Approved 5/17/19	310,436		310,436

<b>Project Number</b>	<b>Project Name</b>	<b>Budgeted</b>	<b>Expenses</b>	<b>Balance</b>
25T	D3 Independent Telco Organizing and Capacity Building - Approved 5/24/19	499,246		499,246
26T	Customer Service, Phase 4 - Approved 5/24/19 - phase 1 #108, 2 #142, 3 Growth 050	348,512		348,512
27T	Strategic Organizing Center, Phase 3 - Approved 5/31/19	480,000		480,000
228	TNG Chicago News Guild – Approved 12/4/15	39,111	36,977	2,134
234	TNG GateHouse Organizing and First Contract Support - Approved 12/16/16	134,002	109,682	24,320
242	TNG Associated Press Bargaining - Approved 10/6/17	86,031	82,764	3,267
243	TNG Organizing Immigration Court Interpreters - Approved 11/3/17	249,800	89,967	159,833
244	TNG GateHouse Media Coordinated Contract Campaign- Approved 12/1/17	110,205	3,032	107,173
245	TNG Los Angeles Times: First Contract and Preliminary Local Set Up - January 1/26/18	323,205	192,686	130,519
246	TNG/NABET Media Training Technology Training, Phase 2 - Approved 3/13/18	400,000	202,500	197,500
248	TNG Digital First Media, Phase 3 - Approved 5/18/18	159,973	85,751	74,222
249	TNG Language Workers - Approved 5/18/18	255,425	59,407	196,018
250	TNG Time Inc Recruitment - Approved 7/6/18	178,583	80,630	97,952
251	TNG Digital Media Organizing, Phase 3 - Approved 7/20/18	585,536	402,719	182,817
252	CMG, Freelance, Phase 4 - Approved 8/10/18	129,843	57,990	71,853
253	CMG, Digital Media Organizing, Phase 3 - Approved 9/14/18	163,000	72,419	90,581
254	TNG Gatehouse Media Coordinated Bargaining & Mobilization Campaign - Approved 11/19/18	110,205	64,029	46,176
255	Canada - Building A Student Movement, Phase 2 - Approved 3/8/19	110,000	7,310	102,690
256	TNG Dow Jones Contract Campaign - Approved 4/12/19	120,280		120,280
315	D4 One Ohio Now - Phase II – Approved 3/28/14	180,000	128,496	51,504
330	D1 & 2-13 Red Cross - Approved 10/27/17	145,488	45,815	99,673
332	D1 Safe Staffing, Phase VI - Approved 3/20/18	510,631	501,308	9,323
333	We The People - Putting Workers' Issues on the 2020 Agenda - split between Telecom, Pubic Healthcare, IUE, NRTS, AFA - Approved 2/22/19	22,625	1,247	21,378
334	D1 Healthcare Workers, Phase 6 - Approved 2/22/19	799,460	14,859	784,601
335	D2-13 PIW Collective Bargaining - Approved 4/18/19	37,261		37,261

<b>Project Number</b>	<b>Project Name</b>	<b>Budgeted</b>	<b>Expenses</b>	<b>Balance</b>
336	D1 Kaleida Health Bargaining - Approved 4/29/19	255,911		255,911
337	D9 Local 9413 St. Mary's Hospital - Approved 5/17/19	166,124		166,124
418	IUE- Service Contract Act, Phase 2 – Approved 10/9/15	385,800	316,378	69,422
429	IUE- Lean, Phase 2 - Approved 4/28/17	463,846	213,648	250,198
430	IUE - Visionworks - Approved 6/2/17	263,289	104,906	158,383
431	IUE- Women in Manufacturing - Approved 12/1/17	398,110	355,524	42,586
433	IUE-GE/Haier Organizing - Approved 1/19/18	352,975	80,175	272,800
434	IUE- Mentorship, Phase IV - Approved 2/16/18	376,882	184,900	191,982
435	IUE- Green Jobs, Phase 3 - Approved 2/23/18	356,500	171,686	184,814
436	IUE- Diversity, Phase 3 - Approved 5/18/18	455,250	199,515	255,735
437	IUE-Internal Organizing - CWA Strong, Phase 2 - Approved 9/14/18	471,928	105,651	366,277
438	IUE- Health & Safety, Phase 4 - Approved 11/16/18	514,118	74,407	439,710
439	IUE - Political and Movement Building, Phase 3 - Approved 2/15/19	341,925	54,223	287,703
440	We The People - Putting Workers' Issues on the 2020 Agenda - split between Telecom, Pubic Healthcare, IUE, NRTS, AFA - Approved 2/22/19	29,070	27,779	1,291
441	IUE - South and Midwest Organizing - Approved 4/18/19	734,670	190	734,480
513	Next Generation, Phase 4 - Approved 2/1/19	199,072	30,392	168,680
609	D1 Internal Organizing - Approved 2/24/17	519,500	518,110	1,390
612	D3 Florida Internal Organizing - Approved 4/14/17	367,800	233,469	134,331
613	D1 NJ Electoral Mobilization - Approved 6/23/17	1,308,255	1,205,868	102,387
615	D7 Internal Organizing, Phase 2 - Approved 2/2/18	205,234	158,526	46,708
616	D1 Internal Organizing - NY State- Approved 6/1/18	348,211	196,400	151,810
617	D1 NJ Take Back the House - Approved 9/7/18	567,103	463,476	103,627
618	Public Sector Internal Organizing Database, Phase 2 - Approved 10/19/18	157,826	42,817	115,008
619	D3 CWA Strong: Florida Public Sector Organizing - Approved 12/12/18	119,500	4,872	114,628
620	We The People - Putting Workers' Issues on the 2020 Agenda - split between Telecom, Pubic Healthcare, IUE, NRTS, AFA - Approved 2/22/19	35,250	5,884	29,366
621	D1 Developing Tools to Track and Analyze Membership with GSEU - Approved 5/31/19	94,580		94,580
715	AFA Lockout Never Again - Approved 2/15/19	84,063	60,385	23,678



<b>Project Number</b>	<b>Project Name</b>	<b>Budgeted</b>	<b>Expenses</b>	<b>Balance</b>
716	We The People - Putting Workers' Issues on the 2020 Agenda - split between Telecom, Public Healthcare, IUE, NRTS, AFA - Approved 2/22/19	18,650	6,208	12,442
717	AFA Legislative Defense & Offense, Phase 4 - Approved 3/22/19	355,410	28,500	326,910
718	AFA Membership Census & Building CWA Strong Constitutional Committees - Approved 4/29/19	363,175	25,000	338,175
806	Envoy Leadership - Approved 10/13/17	340,498	198,535	141,963
808	Piedmont and CWA Strong - Approved 6/8/18	652,658	224,212	428,446
809	Envoy Bargaining Mobilization, Phase 2 - Approved 10/26/2018	394,995	268,352	126,643
810	Core Support for Passenger Service, Phase 2 - Approved 4/18/19	393,094		393,094
	<b>Total</b>	<b>49,205,446</b>	<b>20,221,208</b>	<b>28,984,238</b>

\*The Overage in T91 is due to coding error that has been corrected.

Silo Legend - Telecom 100s & Ts; Media 200s; Public Healthcare 300s; Manufacturing 400s; Public NRTS 600s; AFA 700s; Passenger Service 800s.

NOTE- Only open SIF projects are listed in this report. Any member wishing to review a closed SIF report should contact the Secretary-Treasurer's office.

#### **SIF INCOME and EXPENSES AS OF 5/31/2019**

TOTAL INCOME SINCE INCEPTION 09/06-5/19	\$288,504,087
TOTAL SIF EXPENSES SINCE INCEPTION 9/06-5/19	\$211,260,385
ALLOCATED OPEN SIF BALANCE as of 5/31/19	\$28,984,238
UNALLOCATED SIF BALANCE as of 5/31/19	\$47,909,650

#### **IV. GROWTH FUND (GF)**

The balance of the Growth Fund as of May 31, 2019 was \$12,496,271, which consists of portions that are allocated and unallocated.

At the 74<sup>th</sup> CWA Convention held in April 2013 this committee recommended and the delegates approved the establishment of the Growth Fund, which allows us to search for better ways to change the course of our movement and nation. Beginning with the annual investment earnings from the 2012 calendar year, and going forward, one half of the earnings from the RLMRF have been invested in building CWA's ability to fight for economic justice for our members through the Growth Fund. The Defense Fund Oversight Committee's responsibilities were expanded to include participation, with the Executive Board, in the approval and evaluation of requests submitted to the Growth Fund.

Under the Growth Fund rules:

- A. The remaining investment returns continue to accrue to the RLMRF.
- B. When the RLMRF reserves reach \$500 million, the floor shall be raised to \$400 million.
- C. Should the RLMRF reserve fall below the current floor of \$377,494,108 all investment returns shall go to the RLMRF until it is above the floor.

The Growth Fund supports and enhances the Union’s movement building, organizing, leadership development, research, industry analysis and efforts to achieve economic justice, including the hiring of staff needed to provide resources for launching new and existing efforts.

The campaigns operate with specific budgets and clear measurable benchmarks with six-month evaluations. We currently have 23 active Growth Fund campaigns.

**Growth Fund Campaign List:**

<b>Project Number and Name</b>	<b>Date Approved by DFOC</b>	<b>Budget</b>	<b>Prior Expenses</b>	<b>May Expenses</b>	<b>Total Project Balance</b>
002 - Legislative Support for Growth Campaigns - recurring	11/15/2013	161,751	65,753	14,826	81,172
020 - Media Phase 2	04/17/2015	228,676	198,989	2,471	27,216
026 - CWA Stronger, \$43,107 + 932,895	09/25/2015	976,002	807,785		168,217
047 - Building Our Union Through Digital Communications	09/22/2017	570,822	347,790	12,610	210,422
048 - Online Outreach Coordinator - recurring	10/06/2017	135,004	64,810	10,544	59,650
052 - Anti-Wall Street/Financialization Mobilization, Phase 2	03/20/2018	1,452,119	1,237,261	32,503	182,355
053 - Retiree Political Mobilization	03/20/2018	380,664	216,923	24,399	139,342
054 - Legislative LPAT, Phase 2	04/06/2018	2,259,512	1,104,119	36,164	1,119,229
055 - Ohio, Phase 2	04/30/2018	839,962	377,328	10,775	451,860
057 - PA Take Back The House	04/30/2018	498,174	398,068	14,518	85,588
060 - D3 Organizing Campus Workers Across the Southeast	05/18/2018	517,342	296,861	28,068	192,413

<b>Project Number and Name</b>	<b>Date Approved by DFOC</b>	<b>Budget</b>	<b>Prior Expenses</b>	<b>May Expenses</b>	<b>Total Project Balance</b>
061 - D9 Political Capacity and Worker Power	05/25/2018	1,024,744	28,235	24,308	972,202
062 - Industry Analysis	06/15/2018	581,250	185,996	15,591	379,662
063 - Building Political Power - 2018 Midterm Election	07/06/2018	2,912,564	1,416,317	60,254	1,435,992
064 - Human Rights - CWA Strong	07/27/2018	1,673,277	169,573	39,692	1,464,012
065 - CWA Database & Dues Processing System, Phase 2	08/03/2018	1,453,242	515,311	47,452	890,479
066 - Growing the Union at ABC Sports and NBC Sports, Phase 2	08/22/2018	321,600	43,378	5,218	273,004
067 - CWA Strong - New Jersey	09/07/2018	563,398	109,001	146,169	308,229
068 - Indiana University Organizing	09/21/2018	75,023	15,561	2,391	57,072
069 - CWA Political Platform - Governor's Race	10/12/2018	468,749	313,528		155,221
070 - District 2-13 Local 2201 & 2204 NCPSO Internal Organizing	10/19/2018	241,950	18,775	20,353	202,822
071 - IUE-CWA Political and Movement Building, Phase 3	02/01/2019	172,078	31,972	21,472	118,634

Total Income for 2012 Investment Proceeds:	\$12,622,500
Total Income for 2013 Investment Proceeds:	\$14,083,500
Total Income for 2014 Investment Proceeds:	\$10,345,000
Total Income for 2015 Investment Proceeds:	-0-
Total Income for 2016 Investment Proceeds:	\$6,326,981
Total Income for 2017 Investment Proceeds:	\$13,845,061
Total Income for 2018 Investment Proceeds:	\$760,222
Total Income	\$57,983,264
Total Allocated	\$57,606,553
Bank Fees	\$3,581
Total Unallocated	\$1,509,805

Because the funding of the Growth Fund is solely dependent upon the variability of the stock market (as shown in the chart above), the DFOC recognizes the need to make

changes to stabilize the income flow into the Growth Fund. The DFOC was asked to consider the recommendations below.

### Recommendations for Consideration by the 77<sup>th</sup> CWA Convention

A. The DFOC has the responsibility of overseeing CWA's Growth Fund which supports union-wide programs that help members build power across all Districts and Sectors of CWA. Growth Fund projects enhance our union's organizing, legislative and political, education and leadership development efforts. They also enable CWA members to connect with members of other organizations who are fighting for economic justice and democracy. By working together we build our movement making it possible to fight back and grow stronger during a time when corporate CEOs and the 1% have focused on destroying unions.

A core principle of our labor movement is that when working people join together, we have more power to make positive change than we do on our own. The same principle applies to CWA's work with other organizations and constituency groups. When CWA members and retirees join efforts with other unions, civil rights, labor, environmental, government reform, and advocacy organizations, we can remake our democracy and push back against the 1%.

CWA Growth Fund Grants facilitate connections with our allies and builds power across our union as demonstrated by the following examples:

- Fight the offshoring of American jobs.
- Fighting for economic justice with coalition partners.
- Challenging the power of Wall Street.
- Passing a Responsible Banking Ordinance in Los Angeles.
- Providing resources to fight gender and racial discrimination and harassment on the job.
- Expanding CWA members' work with civil rights groups to push back against voter suppression.
- Working with the Poor People's Campaign, a multi-racial movement fighting the causes of poverty.
- Educating the members on how the economy and our democracy are being rigged in favor of the 1%
- Political boot camp trainings, to educate and mobilize thousands of CWA members.
- Trainings for thousands of CWAers to challenge the power of Wall Street.
- Organizing thousands of new members to join the fight against attacks from right-wing special interests.
- Mobilizing against the *Janus Supreme Court Decision* making the entire public sector nationwide "right-to-work" for less.
- Boosting the NewsGuild-CWA's successful efforts to give media workers a voice in the workplace.
- At ABC Sports and NBC Sports, NABET-CWA signed up 1600 new members

- Organizing public higher education employees at state universities across District 3.
- Ensuring that the FAA Reauthorization Bill included top priority items for Flight Attendants and passenger service agents: instituting a minimum rest period of 10 hours for Flight Attendants to bring them in line with the flight crew, and stronger protections for airline passenger service agents from passenger assaults.
- Supporting retiree involvement in Arizona, which helped elect Kyrsten Sinema, a strong pro-worker ally, to the U.S. Senate in a tightly contested election in 2018.
- Helping CWA members and retirees in Missouri defeat Missouri's Proposition A, a so-called "Right to Work" ballot initiative.

It is our view that the changes proposed will stabilize the funding of the Growth Fund while adding safeguards for the Members Relief Fund. This resolution also protects the current balances in each silo of the Strategic Industry Fund. Finally, the resolution creates the necessary cash flow to stabilize the Growth Fund and ensure that the important work of CWA can continue.

Therefore the DFOC supports the resolution **Funding Our Fight for the Future**.

- B. Given the financial struggle of our locals, we are in favor of establishing lower rates for the MRF Loans to Locals program (Mortgages). Current loans should be rolled back to 4% as soon as practicable. Further, the Secretary-Treasurer will work with the DFOC to discuss how to set rates going forward as well as whether to set a cap on the amounts of monies committed to this program in an effort to protect the MRF.
- C. There has been an increase in the volume of SIF and GF grants from 50 in 2013 to the current 129. Due to this increase in volume, the DFOC requests this convention's approval of an increase in the amount allocated for administrative costs from the current 2½% to 4% based on the amount of SIF and GF expenses processed. The increase shall be utilized to add a minimum of two (2) staff to properly review, audit and process SIF and Growth Fund grant expenses.
- D. The Defense Fund Oversight Committee and the Executive Board jointly and unanimously agreed to authorize a change in the payout level to assist striking workers, effective August 1, 2019:

Commencing on the fifteenth (15th) day of a strike, \$300.00 (an increase from \$200.00) per striker per week will be provided (subject to availability of funds) for use by the local strikers' assistance. Commencing on the twenty-ninth (29th) day of a strike, \$400.00 (an increase from \$300.00) per striker per week will be provided (subject to availability of funds) for use by the local strikers' assistance. Payments to locals will end on the seventh day following the conclusion of the strike. In the event the last week of a strike is not a full week, the payments to the Locals shall be prorated.

The members of the Defense Fund Oversight Committee submit this report to the delegates of the 77<sup>th</sup> Convention for their adoption.

Respectfully Submitted,

The Defense Fund Oversight Committee

Ken McNamara, District 1

James Gardler, District 2-13

Keith Patterson, District 3

Gary Kundrat, District 4

Nancy Brown, District 6

Cecilia Valdez, District 7 – Vice Chair

Monica Alvarado, District 9

Arthur Cheliotas, Public Workers - Chair

John Lewis, IUE-CWA

Jeffrey Heisey, Airline Sector

Bill O'Meara, Media Sector